GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1314
ANSWERED ON:08.12.2004
COAL PRICES FOR THERMAL POWER PROJECTS
Patil Shri Balasaheb Vikhe

Will the Minister of COAL be pleased to state:

(a) whether Coal India Limited has raised the price of coal being supplied to thermal power projects whereas National Thermal Power Corporation is not able to receive corresponding increased tariff from consumers resulting in increasing profit of one PSU at the cost of other PSU pushing to loss;

(b) if so, whether the Government has taken steps to bring down the price of coal supplied to power projects; and

(c) if so, the details thereof?

Answer

MINISTER OF STATE FOR COAL (DR. DASARI NARAYANA RAO)

(a) : Coal India Limited (CIL) has raised the prices of coal with effect from 16.6.2004. It is estimated that the impact of increase in coal prices on thermal power generation has been to the extent of only 6 paise per unit of electricity. It is not an increase which pushes other power PSUs to losses. Besides NTPC is already having a fuel supply agreement with the coal companies; where fuel supply agreements operate, the pricing of CIL of June 2004 is not given effect to.

(b) & (c) : Coal prices have been deregulated with effect form 1.1.2000. Government has no role to play in fixing the coal prices and the coal companies are empowered to fix the coal prices taking into account the market forces, average cost of production and other relevant factors.